

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814
(916) 445-6907



February 18, 1981.

ALL-COUNTY LETTER NO. 81-16

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: FOOD STAMP ADMINISTRATIVE FRAUD HEARINGS

REFERENCE:

This letter is to remind counties of the need to more closely review cases which could be heard under current state regulations governing food stamp administrative fraud hearings. Recent federal audits indicate that few counties are referring cases for administrative hearings as specified in the regulation sections cited below. In order that we may determine why there is little activity in this area we have developed the attached questionnaire to solicit your comments, concerns and recommendations regarding administrative fraud hearing procedures and requirements.

The attached form "Administrative Fraud Hearing Questionnaire" is to be completed by the counties and returned by March 6, 1981. Return the completed questionnaires to the Department of Social Services, Food Stamp Systems Bureau, Mail Station 15-51, Attention Val Lopez, 744 P Street, Sacramento, CA 95814. DSS will consolidate county input in an attempt to identify the problem areas of our regulations and procedures. Also, from this data DSS will develop the corrective action necessary to rectify identified problem areas.

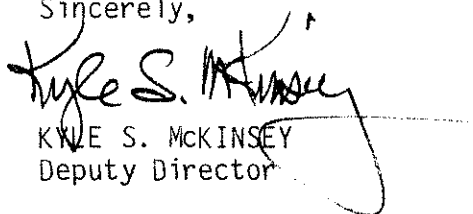
Counties are expected to comply with regulations that require prosecution of those cases in which the county believes that a fraudulent act has occurred. Where fraud is suspected counties must document their case against the suspected individual, notify the individual of their action, and then request a state administrative fraud hearing or prosecute in a court of law. The administrative fraud hearing procedure is a state function. Counties have only to request the hearings and implement the decision of the referee.

The state food stamp manual, Section 63-801 "Claims Against the Household" defines and explains food stamp fraud, how to collect payments, methods of collecting payment, and accounting procedures. Also, Section 63-805 "Fraud Disqualification" defines penalties, notification to the households, and administrative and court imposed disqualifications. Division 22 Chapter 22-200 "Administrative Fraud Hearing" sets forth the general provisions, notice requirements, hearing procedures, and decision disposition.

Finally, each County Welfare Department should have in its possession a publication prepared by the Fraud Prevention Section of DSS entitled "The Eligibility Worker Handbook on the Prevention and Detection of Welfare Fraud." This publication defines fraud, county responsibility, fraud prevention, fraud detection techniques and the fraud prosecution process.

Should you have any questions, contact your Food Stamp Operations Consultant at (916) 322-5475.

Sincerely,

A handwritten signature in black ink, appearing to read "Kyle S. McKinsey". The signature is written in a cursive, flowing style with a long horizontal stroke extending to the right.

KYLE S. MCKINSEY
Deputy Director

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ADMINISTRATIVE FRAUD HEARING QUESTIONNAIRE

1. What problems do you see in the AFH process?

A. County Cost: Explain and provide estimated cost per hearing: \$ _____

1. Overhead: _____

2. Staff: _____

B. Total man hours to prepare a case to file an AFH:

<u>CLASS</u>	<u>TOTAL HOURS</u>
Clerical	_____
EW	_____
Investigator	_____
Management	_____

C. Regulations unclear: Yes ☐ No ☐ If yes: Division 22 ☐ Division 63 ☐

Explain: _____

D. Check appropriate box(es): Process takes too long ☐ Process is unclear ☐

Other ☐ Explain: _____

2. Did County develop own procedure to implement the AFH Process? Yes ☐ No ☐

If Yes, why? _____

3. What benefits do you see in the AFH process? _____

4. Would you recommend an alternative to the AFH process? Yes ☐ No ☐

If Yes, what alternative and why? _____

County _____

Name _____

Title _____

Phone # _____